GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:1154
ANSWERED ON:30.11.2005
CRITERIA FOR SPECIAL ALLOCATION TO STATE
Adhalrao Patil Shri Shivaji

Will the Minister of PLANNING be pleased to state:

(a) the criteria adopted for providing special allocation to each State during the current plan period;

(b) the measures taken to bridge the gap between plan and the allocated amount;

(c) whether any discussions were held with the States regarding those problems due to which funds are required constantly; and

(d) if so, the details thereof and the reaction of the Planning Commission thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a): Allocation of Central Assistance for the Annual Plans of States consists of Normal Central Assistance (NCA), Additional Central Assistance (ACA) for Externally Aided Projects (EAPs) and ACA for Special & Other Programmes. While allocation under NCA is based on the Gadgil formula as approved by the National Development Council (NDC) in December 1991, allocations under ACA for EAPs and Special & Other Programmes are based on their own specific criteria and guidelines. The Gadgil formula takes into account, inter alia, population, per capita income, performance in tax effort, fiscal management and progress in respect of national objectives specifically in the area of population control, elimination of illiteracy, ontime completion of EAPs and land reforms. Allocation of ACA for EAPs is based on utilization of funds for projects. Allocation for Special and Other Programmes depends on the needs of States and sectoral priorities under each programme.

(b) & (c): Plan sizes of States are finalized on the basis of discussions held between Dy. Chairman, Planning Commission and Chief Ministers of States on the basis of States Own Resources (SOR) and Central Assistance (CA).The gap if any between the Aggregate Plan Resources and Plan Outlay is to be financed by additional resource mobilization by State Governments.

(d): Does not apply.